GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Public Services - Commercial Taxes Department –Smt K.Sandhya, Deputy Assistant Commissioner (ST) (under suspension) - Allegations of corrupt practices, collecting mamoolsfrom Vijayawada whole sale dealers, colluding with the tax evading dealers, unholy nexus with the Accountants of the dealers, threatening the dealers those who are not yielding to mamools, abuse of official powers and regular complaints in newspapers and by certain individuals on Intelligence wing- Enquiry - Enquiry Officer appointed - Enquiry Report Submitted– allegations prima-facie proved – Disciplinary proceedings initiated under Rule 20 of Andhra Pradesh Civil Services (Classification Control and Appeal) Rules, 1991 – Article of Charges – Issued.

REVENUE (VIG.VI) DEPARTMENT

G.O.Rt.No.134 Dated:10.02.2023
Read the following:

G.O.Ms.No.40, Revenue (VIG.VI) Dept., dated:10.02.2023.

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ORDER:

In continuation of the G.O. read above, it is proposed to hold an enquiry against Smt. K.Sandhya, Deputy Assistant Commissioner (ST) (under suspension) in accordance with the procedure laid down in Rule 20 of the said rules.

2. The substance of the imputations of misconduct ormisbehaviour in respect of which the inquiry is proposed to be held, is setoutin the enclosed statement of articles of charge (Annexure-I) and theimputations of misconduct or misbehaviour in support of each article ofchargeis enclosed (Annexure-II). A list of documents by which and a list ofwitnesses by whom the articles of charge are proposed to be sustained,arealso enclosed (Annexure-III & IV).

3. Smt. K.Sandhya, Deputy Assistant Commissioner (ST) (under suspension) is directed to submit within 15 days from the date of receipt of thisorder, a written statement of herdefense.

4. Smt. K.Sandhya, Deputy Assistant Commissioner (ST) (under suspension) is informed that an inquiry will be held only in respect of thosearticles of charges are not admitted. She should, therefore, specificallyadmit or deny each article of charge.

5. Smt. K.Sandhya, Deputy Assistant Commissioner (ST) (under suspension) is further informed that if she does not submit her written statementof defense on or before the date specified in para 3 above further action willbe processed based on the material available.

6. Attention of Smt. K.Sandhya, Deputy Assistant Commissioner (ST) (under suspension) is invited to Rule 24 of the Andhra Pradesh civil services (conduct) Rules, 1964, under which no Government servantshall bring or attempt to bring any political or outside influence to bear uponany superior authority to further

her interest in respect of matters pertainingto her service under the Government. If any representation is received on her behalf from another person in respect of any matter dealt within these proceedings it will be presumed that Smt. K.Sandhya, Deputy Assistant Commissioner (ST) (under suspension) is aware of such a representation and that it has been made at her instance and action will be taken against her for violation of Rule 24 of the Andhra Pradesh CivilServices (Conduct) Rules, 1964.

The receipt of this order may be acknowledged.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

N. GULZAR
SECRETARY TO GOVERNMENT (CT)

To,
Smt K.Sandhya, Deputy Assistant Commissioner (ST) (under suspension) (w.e. Annexure-I to IV) through the Chief Commissioner of State Tax, A.P., Guntur District (with a request to serve the order on the individual and send the served copy with dated signature to Government).
Copy to:
The Chief Commissioner (ST), A.P., Kunchanapalli, Guntur District.
SF/SC.

// FORWARDED :: BY ORDER //

SECTION OFFICER

ANNEXURE-I

STATEMENT OF ARTICLES OF CHARGES FRAMED AGAINST SMT. K.SANDHYA THE THEN GSTO, VIJAYAWADA-I DIVISION PRESENTLY DEPUTY ASSISTANT COMMISSIONER (ST) (UNDER SUSPENSION)

Article I:

That Smt. K.Sandhyawhile discharging her duties as GSTO while working in Intelligence Wing of Vijayawada I Division, failed to initiate action for demand and recovery of appropriate tax in 19 number of cases and failed to recover the dues of penalty and interest from the dealers in respect of information received from ESI/IMSD relating to supply of medicines and surgical equipment by unscrupulous dealers. The total estimated loss to the exchequer is to the extent of Rs.15 crores approximately. By the above said acts Smt. K.Sandhyaappeared to have failed to maintain absolute integrity, devotion to the duty and acted in the manner unbecoming to be Government Servant thus contravened the provisions of the Rule 3 of AP CS (Conduct Rules), 1964.

Article II:

That Smt K.Sandhya the charged officer while discharging his duties as GSTO at Vijayawada I Division during the relevant period from 20.07.2019 to 31.03.2021failed to obtain information from the Irrigation Department along with necessary documents etc., so as to assist the assessing officer; that she did not put up the files to the Deputy Commissioner (ST) Intelligence for further follow-up action and thus committed the misconduct of gross negligence in discharging her duties. She did not ensure follow up action in time. By her negligent attitude towards work, Smt K.Sandhyaappeared to have caused revenue loss to the exchequer to the extent of Rs. 6 Crores; that Smt K.Sandhyathe charged officer thus appear to have facilitated unscrupulous dealer to escape from being assessed. By the said omission and commission Smt K.Sandhyaconducted gross misconduct and failed to maintain devotion to duty and acted in a manner unbecoming Government Servant and contravened theRule 3 of AP CS (Conduct Rules), 1964.

Article III:

That the charged officer while discharging duties as GSTO at Vijayawada I division during the relevant period from 20.07.2019 to 31.03.2021 had not communicated information pertaining to other districts and to other states through head office resulting in Rs. 21 Crores loss of revenue to the state exchequer and there by committed gross negligence and grave misconduct. That the officer thus appeared to have failed to discharge the duties expected of her in enforcement of APGST Act 2017. By this act of omission and commission Smt K.Sandhyaappeared to have committed the misconduct of gross negligence and thereby failed to maintain devotion to duty thus contravening the provisions of Rule 3 of AP CS (Conduct Rules), 1964.

Article IV:

That the charged officer while discharging duties as GSTO at Vijayawada I division during the relevant period from 20.07.2019 to 31.03.2021 failed in her duties in as much as she did not followed up for further process thereby tax and penalty not being imposed on the unscrupulous dealers even after the dealer was issued with summons. By doing so, Smt K.Sandhyaappeared to have acted in a grossly negligent manner and failed to maintain devotion to duty. Thereby she committed the misconduct of unbecoming of Government Servant and thus contravened the Rule 3 of AP CS (Conduct Rules), 1964.

Article V:

That the charged officer while discharging duties as GSTO at Vijayawada I division during the relevant period from 20.07.2019 to 31.03.2021 failed to put up the file for taking necessary action to DC(ST) Intelligence which led to the proceedings being left inconclusive. By this act of omission and commission, Smt K.Sandhyaappeared to have committed the misconduct of gross negligence and thereby failed to maintain devotion to duty, thus contravening the provisions of Rule 3 of AP CS (Conduct Rules), 1964.

Article VI:

That the charged officer while discharging duties as GSTO at Vijayawada I division during the relevant period from 20.07.2019 to 31.03.2021 intentionally closed the files on the ground that the dealers Viz., Arihant Chocolates, Raghuram Textiles, Jayalakshmi Steels and Diamond Agencies on the ground that they had paid the taxes voluntarily upon issue of notice without imposition of penalty under APGST Act 2017. By this act of omission and commission Smt K.Sandhyaappeared to have committed the misconduct of gross negligence and thereby failed to maintain devotion to duty thus contravening the provisions of Rule 3 of AP CS (Conduct Rules), 1964.

Article VII:

That the charged officer while discharging duties as GSTO at Vijayawada I division during the relevant period from 20.07.2019 to 31.03.2021. The Charged officer did not take follow up action based on the office distribution register, resulting in misuse of summons issued under section 70 of the APGST Act 2017. By this act of omission and commission Smt K.Sandhyaappeared to have committed the misconduct of gross negligence and thereby failed to maintain devotion to duty thus contravening the provisions of Rule 3 of AP CS (Conduct Rules), 1964.

Article VIII:

That the charged officer while discharging duties as GSTO at Vijayawada I division during the relevant period from 20.07.2019 to 31.03.2021. The Charged officer indulged in certain malpractices in collusion with certain other employees such as calling for information without authority, entering the business premises and residences of dealers without proper authorisation and conducting Vehicular checks without authority and instructions. By this act of omission and commission Smt K.Sandhyaappeared to have committed the misconduct of gross

negligence / moral turpitudeand thereby failed to maintain devotion to duty thus contravening the provisions of Rule 3 of AP CS (Conduct Rules), 1964.

That the said Smt K.Sandhyathus by the above said omission and commission appeared to have the charged officer rendered herself liable for penal action under Rule 9 of AP CS (CCA) Rules, 1991.

N. GULZAR
SECRETARY TO GOVERNMENT (CT)

// FORWARDED :: BY ORDER //

SECTION OFFICER

ANNEXURE-II

STATEMENT OF IMPUTATION OF MISCONDUCT BY WHICH THE ARTICLES OF CHARGES ARE PROPOSED TO BE SUSTAINED IN RESPECT OF SMT. K.SANDHYA THE THEN GSTO, VIJAYAWADA-I DIVISION PRESENTLY DEPUTY ASSISTANT COMMISSIONER (ST) (UNDER SUSPENSION)

Article I:

ESI hospitals and Insurance Medical Services Department in the State of Andhra Pradesh received supplies of medicines and surgical equipment from dealers outside the state as well as within the state regularly. Based on inputs from Newspapers and other sources, during the month of November and December 2019, the Intelligence Wing of Vijayawada I Division had in November and December 2019 obtained data from the Director, Insurance Medical Services regarding supply of medicines to ESI Hospitals by different dealers within the state and outside for the 2017-18 to 2019-20 period.

As per the data, about 131 dealers supplied medicines and surgical goods to the ESI Hospitals in the state during the said period valued Rs.127.13 Cr of medicines and Rs.22.99 Cr surgical goods. The total GST on these supplies is Rs.18 Cr, of which only a negligible amount was collected. The Director, ESI also furnished information on the payments made to the suppliers along with their account numbers and IFSC Codes. Of these 131 dealers, 27 suppliers belong to Vijayawada-I Division, 38 suppliers to other Divisions of the State, and 66 suppliers belong to other States.

The Intelligence Wing is responsible for segregating the cases and assisting the Proper Officer in processing of the actions against errant dealers. The Intelligence Wing is also responsible for transferring the cases that pertain to other Divisions in the State and other states to the respective authorities so that action can be initiated to recover the GST dues.

Since out of them,27 dealers pertained to Vijayawada I division verification was initiated as per records of the Division. (Annexure-A). verification was ordered by the DC(ST) to be initiated. However, from the records it appears that Smt K.Sandhyawhile working as GSTO O/o Joint Commissioner (ST) Vijayawada I during the period from 20.07.2019 to 31.03.2021 failed to initiate action against 6 unscrupulous dealers of Vijayawada I division as follows:

S.No.	Dealers
1	INTAS PHARMACEUTICALS LIMITED
2	VACCINE HOUSE
3	S K P ENTERPRISES
4	BHUVANESWARI MEDICINE HOUSE
5	MAHALAKSHMI ENTERPRISES
6	S V MEDICAL & SURGICAL AGENCIES

In cases where orders were passed in 19 cases, action was not taken on the collection of imposed penalty and Interest. The total estimated loss to the exchequer is to the extent of Rs.15 crores approximately Further no action taken to attach the taxpayer's bank accounts provisionally. Thus, in the rest of 19

number of cases where verification was ordered and action imitated,Smt K.Sandhya, who was the GSTO, failed to initiate appropriate action to recover appropriate dues from those dealers.

The GSTO who assisted the proper officer in this work was Smt K.Sandhya. As per the job chart dated 20.07.2019 issued by JC(ST) Vijayawada I division.

Thus Smt K.Sandhyashould have verified in respect of 27 cases as per orders of the DC (ST) which she did not do so. she also failed to recover the appropriate taxes due from the 9 dealers as per the SOP issued by the APCT department and as per the applicable provisions of the APGST Act 2017.

Thus Smt K.Sandhyadeliberately facilitated the said 16number of unscrupulous dealers in their attempt to defraud the Government in non-payment of taxes. (Annexure-B)

From the above it is evident that Smt K.Sandhyathe charged officer has acted in a grossly negligent manner violating Rule 3 of AP CS (Conduct Rules), 1964.

Article II:

The Intelligence Wing of Vijayawada-I Division obtained information from the Irrigation Department on the works executed by the Water User Associations under Neeru-Chettu programme. It was found that Rs.220.38 Cr worth of works were executed by 211 water user associations. Of this works worth Rs.47.55 Cr were in Krishna District involving a GST of Rs.6 Cr. On 19.12.2019 the Intelligence Wing, Vijayawada-I Division issued summons to the WUAs for productions of books of Account. However, no information appears to have been produced. The cases were simply transferred by the Intelligence Wing to the circle offices.

However, the intelligence wing as a follow up action, did not obtain the payment details from the irrigation department nor initiated action to assess the taxpayers. The water user associations received payments of Rs. 47 Cr in erst while Krishna District involving a tax effect of Rs. 6 Crore. The entire turnover was left unassessed.

Smt K.Sandhyaas per office order dated20.07.2019 as mentioned in Statement of imputation against Article I ought to have initiated action to obtain information from the irrigation department along with necessary documents etc., so as to assist the assessing officer. She also did not put up the files to the Deputy Commissioner (ST) Intelligence for further follow-up action. Thus Smt K.Sandhyacommitted the misconduct of gross negligence in discharging her duties. Has she did not ensured follow up action in time. By her negligent attitude towards work Smt K.Sandhyacaused revenue loss to the exchequer to the extent of Rs. 6 Crores. From the above it is evident that Smt K.Sandhyathe charged officer has acted in grossly indiscipline manner violating the provisions of Rule 3 of AP CS (Conduct Rules), 1964.

Article III:

From the records it appears information of taxpayers relating to other divisions where not sent to respective divisions for verification at their end pertaining to the cases for which information received from ESI/IMSD. Further

information of tax payers related to other states was also not sent to Head Office for onward transmission to other states. The loss of revenue to Government is Rs. 21 Crores approximately.

The said Smt K.Sandhyabeing the GSTO working in Vijayawada I division working in the office JC(ST). As per office order dated 20.07.2019, she was to assist DC(ST) Intelligence in all the above actions which she failed to do so intentionally and caused huge revenue loss to the government as mentioned in the charge under article III.

Article IV:

In the case of Silicon Systems, it is seen from the record that even though the summons were issued by the DC(ST) Intelligence, the case file was not followed up for further process resulting in tax and penalty being not imposed on the unscrupulous dealers. As per office order dated 20.07.2019, the charged officer ought to have put up the file for the purpose of adjudication and followed up for further necessary action. The charged officer deliberately facilitated the dealer in her attempt to defraud the government not performing her duties and thereby acted in a grossly indiscipline manner violating Rule 3 of AP CS (Conduct Rules), 1964.

Article V:

In the case of three dealers, M/s Vankadhara Associates, M/s Kamala Steels & M/s KGN Traders,Smt K.Sandhya, charged officer, failed to put up the file for taking necessary action to DC(ST) Intelligence, which led to the proceedings being left inconclusive.

As per office order dated 20.07.2019 she ought to have assisted to the DC(ST) which she failed to do so. The charged officer disregarding the administrative instruction failed to ensure effective processing of the files by the DC. By not putting up the files. The lapse on the part on the charged officer resulted in the proceedings being left inconclusive.

Thus, the charged officer acted in a grossly indisciplined manner violating in Rule 3 of AP CS (Conduct Rules), 1964.

Article VI:

From the records, in the cases of Arihant Chocolates, Raghuram Textiles, Jayalakshmi Steels and Diamond Agencies, the files appeared to have been closed on the ground that the dealer paid the taxes voluntarily upon issue of notice without imposition of penalty under APGST Act 2017. Smt K.Sandhyaas per office order ought to have put up the files to the concerned authority for necessary action which she failed to do so and closed files herself which is unbecoming of a Government Servant. The charged officer thus acted in a grossly negligent manner violating Rule 3 of AP CS (Conduct Rules), 1964.

Article VII:

Smt K.SandhyaWhile working as GSTO did not take follow up action based on the office distribution register which resulted in misuse of summons issued under section 70 of the APGST Act 2017. Thus, the charged officer actively colluded with unscrupulous dealers while working in a sensitive wing of the APCT department causing a huge revenue loss to the state exchequer. The said

charged officer thus committed gross misconducted violating Rule 3 of AP CS (Conduct Rules), 1964.

Article VIII:

A Preliminary inquiry was conducted against Smt K.Sandhyaon complaints that she indulged in certain mall practices in collusion with certain other employees. The Inquiry concluded in determining that the charged officer indeed indulged in misdeeds such as calling for information without authority, entering the business premises and residences of dealers without proper authorisation and conducting Vehicular checks without authority and instructions.

The Charged Officer thus has performed certain acts of commission lacking good faith and in a high-handed manner exhibited gross misconduct in contravention of Rule 3 of AP CS (Conduct Rules), 1964. Thus, by the above acts of commissions and omissions has the charged officer rendered herself for penal action under rule 9 of APCS (CCA) rules 1991.

N. GULZAR
SECRETARY TO GOVERNMENT (CT)

// FORWARDED :: BY ORDER //

SECTION OFFICER

Annexure-A

S.No	GSTIN	Name of the Taxpayer
1	37AATFR3733J1ZM	RAASI PHARMA
2	37AAACB7873P1ZY	BIOLOGICAL E LIMITED
3	37ACJFS5903K1ZP	S V MEDICAL & SURGICAL AGENCIES
4	37APVPT1684D1Z9	JERCON ENTERPRISES
5	37AANFV3239M1ZH	VEERESH PHARMA
6	37AOTPP4358M1ZX	AMARAVATHI MEDICALS
7	37ADSPK7248K1ZR	S K P Enterprises
8	37BVCPP4687G1Z4	CLASSIC PHARMA
9	37ACOFS7033F1ZU	SARVESH DISTRIBUTORS
10	37BMHPG8114K1ZV	SAI RAM PHARMACEUTICALS
11	37AAIFV7321D1Z6	VACCINE HOUSE
12	37AAACW1667Q1ZN	WALLACE PHARMACEUTICALS PVT LTD
13	37AJNPT6544J1ZF	SRI TIRUMALA MEDICAL AGENCIES
14	37AAECB4156B1Z1	BAYER ZYDUS PHARMA PRIVATE LIMITED
15	37AAACT7987L1ZH	TABLETS (INDIA)LIMITED
16	37AAACW2472M1ZY	WOCKHARDT LTD
17	37BHVPS0530A1ZD	SIVA MEDICALS
18	37AAOFB0550E1ZP	BHUVANESWARI MEDICINE HOUSE
19	37ACYPL3642F1Z7	BHUVANESWARI MEDICINE HOUSE
20	37AAACI5120L1ZN	INTAS PHARMACEUTICALS LIMITED
21	37AAACB2431M1ZS	BHARAT SERUMS AND VACCINE LIMITED
22	37AARFK0055A1ZL	KANAKADURGA ENTERPRISES
23	37ACJPV0490N1ZV	SRI SAI SURGICAL & AGENCIES
24	37ADKPV6575G1ZT	Maruthi Medi Needs
25	37AGNPT7076N2Z8	SRI SUDARSHAN MEDICAL AGENCIES
26	37AVHPK4727A1ZS	ANJANI PHARMA
27	37GANPS8424R1ZE	MAHALAKSHMI ENTERPRISES

N. GULZAR
SECRETARY TO GOVERNMENT (CT)

// FORWARDED :: BY ORDER //

SECTION OFFICER

Annexure-B

S.No	GSTIN	Name of the Taxpayer
1	37ACJFS5903K1ZP	S V MEDICAL & SURGICAL AGENCIES
2	37APVPT1684D1Z9	JERCON ENTERPRISES
3	37AOTPP4358M1ZX	AMARAVATHI MEDICALS
4	37ADSPK7248K1ZR	S K P Enterprises
5	37BVCPP4687G1Z4	CLASSIC PHARMA
6	37BMHPG8114K1ZV	SAI RAM PHARMACEUTICALS
7	37AAIFV7321D1Z6	VACCINE HOUSE
8	37AJNPT6544J1ZF	SRI TIRUMALA MEDICAL AGENCIES
9	37AAOFB0550E1ZP	BHUVANESWARI MEDICINE HOUSE
10	37ACYPL3642F1Z7	BHUVANESWARI MEDICINE HOUSE
11	37AAACI5120L1ZN	INTAS PHARMACEUTICALS LIMITED
12	37AAACB2431M1ZS	BHARAT SERUMS AND VACCINE LIMITED
13	37AARFK0055A1ZL	KANAKADURGA ENTERPRISES
14	37AGNPT7076N2Z8	SRI SUDARSHAN MEDICAL AGENCIES
15	37AVHPK4727A1ZS	ANJANI PHARMA
16	37GANPS8424R1ZE	MAHALAKSHMI ENTERPRISES

N. GULZAR
SECRETARY TO GOVERNMENT (CT)

// FORWARDED :: BY ORDER //

SECTION OFFICER

ANNEXURE-III

LIST OF DOCUMENTS BY WHICH THE ARTICLES OF CHARGES FRAMED AGAINST SMT. K.SANDHYA THE THEN GSTO, VIJAYAWADA-I DIVISION PRESENTLY DEPUTY ASSISTANT COMMISSIONER (ST) (UNDER SUSPENSION)ARE PROPOSED TO BE SUSTAINED

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1) Adverse News item published in a Telugu Newspaper against Intelligence Unit of Vijayawada-I Division on 04.04.2021.
2) CMO.Ref.11381/CMO-G/2019
3) Complaint dated 12.04.2021 filed by Sri Prasad.
4) Enquiry Report of Commissioner (ST) (then Additional Commissioner (ST) dated 16.04.2021.
5) Govt. Memo.No.REV01-/CCST0CCTE/32/2021-CT-II, Revenue (CT-II) Dept., Dt.14.07.2022 appointing Enquiry Officer.
6) Enquiry report dated 19.12.2022 of OSD, Revenue.

N. GULZAR
SECRETARY TO GOVERNMENT (CT)

// FORWARDED :: BY ORDER //

SECTION OFFICER

ANNEXURE-IV

LIST OF WITNESS BY WHOM THE ARTICLES OF CHARGES FRAMED AGAINST SMT. K.SANDHYA THE THEN GSTO, VIJAYAWADA-I DIVISION PRESENTLY DEPUTY ASSISTANT COMMISSIONER (ST) (UNDER SUSPENSION) ARE PROPOSED TO BE SUSTAINED

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1) Commissioner (ST) (then Additional Commissioner (ST)), O/o. CCST, Kunchanapalli, Guntur District.
2) OSD, Revenue (CT) Department, A.P., Secretariat, Velagapudi.

N. GULZAR
SECRETARY TO GOVERNMENT (CT)

// FORWARDED :: BY ORDER //

SECTION OFFICER